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## NEWS RELEASE

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# **PSC Sets Rates for Meade County Electric Cooperative** *Amount is about 29 percent less than requested*

**FRANKFORT, Ky. (Oct. 29, 2013)** – The Kentucky Public Service Commission (PSC) has authorized Meade County Rural Electric Cooperative Corporation (RECC) to adjust its base rates in order to increase annual revenue by 1.6 percent, or \$683,517.

In an order issued today, the PSC also revised rates to reflect the pass through of a wholesale rate increase of approximately \$5.8 million from Big Rivers Electric Corp. to Meade County RECC. The combined wholesale and distribution rate changes will increase the average residential customer's monthly bill by \$15.42, or about 17 percent.

The Big Rivers rate increase was approved today by the PSC in a separate proceeding, and the pass-through rates were approved concurrently with the base rate decision.

With the new rates, an average residential customer will see an increase of about \$1.81 in their monthly bill attributable to the distribution increase. The remaining increase of \$13.61 is related to the pass-through of the wholesale increase.

Meade County RECC had sought to increase annual revenue by \$963,098. The increase granted by the PSC is about 29 percent less than the amount requested, with the reduction largely the result of a recalculation of the utility's borrowing costs.

The new base rates go into effect today. The pass through of the wholesale rates is effective as of Aug. 20.

That is because, as allowed under Kentucky law, Big Rivers put its proposed rates into effect on Aug. 20. Meade County RECC followed suit with its pass through rates and began billing at those higher rates on that date.

Its customers now will receive refunds, with interest, of the difference between what they paid under the proposed rates and the rates authorized by the PSC.

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Meade County RECC serves about 28,600 customers in Breckinridge, Grayson, Hardin, Hancock, Meade and Ohio counties. It is one of three distribution cooperatives that both own and purchase power from Big Rivers.

In today's order, the PSC noted that Meade County RECC, in conjunction with Big Rivers, has initiated programs designed to reduce the demand for electricity through either conservation or increased efficiency. Demand-side management (DSM) programs in general "will become increasingly important as more constraints are likely to be placed upon utilities whose main source of supply is coal based (electric) generation," the PSC said in today's order.

While recognizing Meade County RECC's efforts, the PSC said "it is appropriate to continue to encourage Meade County and all other electric providers to expand their efforts to offer cost-effective DSM and other energy efficiency programs."

Today's orders and other documents in the case are available on the PSC website, [psc.ky.gov](http://psc.ky.gov). The case numbers are 2013-00033 (Meade County RECC) and 2012-00535 (Big Rivers).

The PSC is an independent agency attached for administrative purposes to the Energy and Environment Cabinet. It regulates more than 1,500 gas, water, sewer, electric and telecommunication utilities operating in Kentucky and has approximately 90 employees.